

A U S T I N C I T Y C O U N C I L

AGENDA



Thursday, August 24, 2006

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Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION

ITEM No. 35

Subject: Authorize award, negotiation, and execution of a contract with UTILITY DECISION SUPPORT GROUP INC., Plymouth, MN, for consulting services to perform a planning model needs assessment for Austin Energy to transition from a zonal to a nodal electricity market in an amount not to exceed \$61,397.

Amount and Source of Funding: Funding is available in the Fiscal Year 2005-2006 Amended Operating Budget of Austin Energy.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Carole Cameron, Purchasing Mgr./322-6155

Purchasing Language: Best evaluated proposal of two proposals received

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9B of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

Additional Backup Material

(click to open)

No Attachments Available

This contract will provide Austin Energy (AE) with consulting services to perform a needs assessment to determine the optimal model for use in resource planning functions under the Electricity Reliability Council of Texas (ERCOT) Nodal Electricity Market. As mandated by the Public Utility Commission of Texas, the ERCOT electricity market is expected to transition from the current zonal pricing market to a nodal pricing market on January 1, 2009. As a result of this major structural change, AE is assessing its hardware and software to determine its ability to meet the new market. The consultant will provide recommendations for both the acquisition and integration of a new nodal market system, or the enhancement of AE's existing models currently in use.

The desired model will enable AE to perform nodal pricing calculations, transmission congestion analysis, power transaction analysis, and overall evaluation of pricing offers to participate in the nodal market.

If needed by AE, the consultant may be retained for a second phase of the project. The second phase would include consulting assistance in the development of a Request for Proposals or assistance with the enhancement of current models. If AE desires to retain the consultant for the second phase, a new Request for Council Action will be submitted.

MBE/WBE solicited: 40/12 MBE/WBE responded: 0/0

RFP No. CM06300013 PROPOSAL ANALYSIS a. Adequate competition. b. Fifty-nine notices were sent, including 40 MBEs and 12 WBEs. Three solicitations were issued. Two proposals were received with no response from MBEs and WBEs. c. This is the first purchase of its type; therefore, there is no pricing history available.

APPROVAL JUSTIFICATION a. Best evaluated proposal. b. The Purchasing Office concurs with Austin Energy's recommended award. c. Advertised on the Internet.